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OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

MONTSERRAT

Working paper prepared by the Secretariat

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MONTSERRAT 1/

I. GENERAL

1. Montserrat is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of the French Overseas Department of Guadaloupe. It has a maximum length of 18 kilometres and a maximum width of 11 kilometres and covers an area of 103 square kilometres. The capital of Montserrat is Plymouth.

2. The Territory, which is in the hurricane zone, was struck by hurricane Hugo on 17 September 1989, causing severe damage to the infrastructure and to private homes, as well as to the tourist, agriculture and fishing industries. As a result of emergency and rehabilitation assistance, mainly from the United Kingdom of Great Britain and Northern Ireland and from regional and international agencies, and owing to local recovery efforts, the Territory's economy was able to show some growth during the period under review.

3. At the census taken in 1980, the population of the Territory was 12,074 inhabitants. In its report on the Territory for the year 1989/90, the Government of the United Kingdom indicated that the mid-year population estimate for 1989 was 11,924 inhabitants, of which persons between the ages of 15 and 64 years accounted for 61.3 per cent, persons under the age of 15 years for 26.5 per cent and those over 65 years of age for 12.2 per cent. The population growth rate was 0.1 per cent, and the population density was 302 persons per square mile. The Territory was among the 16 Commonwealth Caribbean countries that participated in a census taken in 1991.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

4. According to information provided by the administering Power for the year 1989/90, the Territory is administered under the following constitutional arrangements:

(a) The Montserrat Constitution Order, 1989, which came into force early in 1990 and revoked:

(i) The Montserrat Letters Patent, 1959;

(ii) The Montserrat Letters Patent (Amendment) Order, 1971;

(iii) The Montserrat (Governor) Order, 1971;

(iv) Part II of the Constitution and Elections Ordinance.

In essence, the new Constitution subsumed a number of different constitutional provisions into one document and increased the Governor's special responsibilities to include the overseeing of the offshore banking industry (see para. 6);

(b) The Leeward Islands (Emergency Powers) Order, 1959, which empowers the Governor to declare a state of emergency and to make laws under it;

(c) The Constitution and Elections Ordinance (Laws of Montserrat), which governs the institution of the Legislative Council and elections thereto, the legislative process and the holding of elections. Subsidiary legislation is made under this Ordinance defining electoral districts and Standing Orders for the Legislative Council.

5. Briefly, the Constitution provides for a Governor appointed by Her Majesty the Queen; an Executive Council, comprising the Governor as President, the Chief Minister, three other ministers and two ex officio members (the Attorney-General and the Financial Secretary); and a Legislative Council, comprising a Speaker, two ex officio members (the Attorney-General and the Financial Secretary), seven elected members returned from single-member constituencies on the basis of universal adult suffrage and two nominated members.

6. Ministerial responsibilities cover all areas of government business with the exception of external affairs, internal security, defence, the public service, international financial services and any sector related to finance, areas for which the Governor is responsible. Following a survey of offshore financial services in the dependent Territories undertaken by the British Government in 1990, the special responsibilities of the Governor were extended to cover international financial services.

7. During the Governor's absence, the Speaker of the Legislative Council acts as Governor.

Judiciary

8. A Magistrates' Court, presided over by a Resident Magistrate is situated at Plymouth. The functions of Registrar General, Registrar to the High Court and Deputy Registrar to the Court of Appeal are performed by an officer holding the post of Registrar who also acts for the Magistrate during his absence.

9. The Eastern Caribbean States Supreme Court (Montserrat) Ordinance, 1968, created the High Court and Court of Appeal. Appeals to Her Majesty's Privy Council are governed by the Montserrat (Appeals to Privy Council) Order, 1967. A judge of the High Court visits Montserrat thrice each year to hold assizes and an Appeal Court Justice visits twice each year.

10. The Attorney-General is the Public Prosecutor, and these powers are vested in him to the exclusion of any other person. There are several locally appointed justices of the peace with limited powers of summary jurisdiction.

B. Political parties and elections

11. In the general elections held in August 1987 for the seven elected seats in the Legislative Council, the ruling People's Liberation Movement (PLM) led by Mr. John Osborne won four seats, the Progressive Democratic Party (PDP) led by Mr. P. Austin Bramble won one seat and the new National Development Party (NDP) led by Mr. Bertrand Osborne won two seats. Mr. John Osborne was appointed to a third consecutive term as Chief Minister (see A/AC.109/944, paras. 8-12).

12. On 15 September 1991, the Deputy Chief Minister, Mr. Benjamin Chalmers, resigned from the Government and the ruling PLM, leaving it with three seats, thereby removing its parliamentary majority and causing the collapse of the Government.

13. General elections were held on 8 October 1991 one year earlier than scheduled and contested by 26 candidates, mainly from three political parties: the ruling PLM, the opposition NDP and the newly established National Progressive Party (NPP) led by Mr. Reuben Meade, a former civil servant and an official of the Caribbean Development Bank (CDB). After the counting of the ballots, it was announced that NPP had won four of the seven elected seats, PLM and NDP had won one seat each and an independent candidate had won the seventh seat. The main campaign issues of the elections were morality and integrity among public officials. The question of future political status was only raised by NDP, which was opposed to independence for Montserrat at the time of the election (see para. 16 below). 2/

14. After the elections the following ministerial appointments were made by the Governor:

Chief Minister and Minister for Finance and Economic Development	Mr. Reuben Meade
Deputy Chief Minister and Minister for Communication and Works	Mr. David Brandt
Minister for Education, Health and Community Services	Miss Lagelle Howes
Minister for Agriculture, Trade and Lands and Housing	Mr. Charles Kirnon

Mr. Reuben Meade, 36 years old, is the youngest head of Government in the English-speaking Caribbean.

C. Future status of the Territory

Position of the Government of Montserrat

15. According to the report of the administering Power on the Territory for 1989/90, the United Nations Visiting Mission which visited the Territory in August 1982 had accurately reflected the views of the Territory towards independence. The administering Power reported that, in November 1988, the territorial Government had issued the following statement on independence:

> "The Government considers that independence is both inevitable and desirable, provided it is preceded by Montserrat achieving a level of economic and financial viability sufficient to sustain it as an independent State. And to this end, it is the Government's intention to seek from Her Majesty's Government and other aid donors, levels of aid necessary to achieve such viability.
>
> "The granting of independence will not be sought from Her Majesty's Government without the support of the majority of the people."

This is an elaboration of the earlier stated policy by the territorial Government that "economic independence must precede political independence".

16. The positions of the leaders of the main political parties operating in the Territory are contained in previous working papers on the Territory, including document A/AC.109/1061, paragraphs 12 to 14.

17. During the election campaign in October 1991, the question of independence was raised by the opposition NDP, whose leader is opposed to political independence for Montserrat. PLM, however, which favoured independence, did not campaign on the issue.

18. According to press reports the new ruling NPP had indicated that although it considered independence to be inevitable it would adopt a gradual approach in preparing the people of Montserrat for independence. NPP, however, was committed to promoting a more positive role for Montserrat in regional integration. 2/

19. In November 1991, the Chief Minister attended the Fourth Europe-Caribbean Conference at Brussels sponsored by the London-based West India Committee. One of the objectives of the Conference was to provide an opportunity for Caribbean political and business leaders to meet and to discuss with their European counterparts issues, policies and future approaches towards the development of the Caribbean region. 3/

20. In an unpublished paper entitled "The Dependent Territories and their future with the United Kingdom and Europe", which dealt mainly with trade and related issues, the Chief Minister stated, inter alia, that:

"The British Dependent Territories are likely to retain that status for the foreseeable future. It appears as if there is a persistent reluctance on the part of the majority of nationals to consider statehood even though this idea has been advanced by some intellectuals and the occasional political leader. The justification for this advice usually includes population size, perceptions of insecurity, narrow resource base and economic vulnerability. It is generally believed that the reserved powers of Her Majesty's Government are necessary for securing social, political and economic stability. Many go as far as to posit that this relationship plays a vital role in attracting business and investment to the islands. Although political advancement is not actively pursued, popular expectation for rapid and sustained development is no different from what obtains in sovereign States. Indeed, given our proximity to the United States of America and the constant exposure of our people to their materialistic values and culture through the electronic media, these expectations are reinforced and amplified. I know that we must re-educate tastes and expectations but we cannot ignore the social environment which continually impacts on our people."

21. In the same paper, the Chief Minister noted that the dependent Territories were variously endowed with limited resources, a fact that made them dependent on the United Kingdom and the European Community for aid and investment. In that connection, he noted also the stated position of the administering Power that the dependent Territories were given priority in the aid budget according to their "reasonable" needs. He added, however, that there was a difference of opinion of what those needs were.

Position of the administering Power

22. In his statement before the Fourth Committee of the General Assembly on 23 October 1991, the representative of the United Kingdom said, inter alia, that it was totally wrong to equate self-determination solely with independence and not to take available options into account; the wishes of the peoples of the dependent Territories were of primary importance. His Government took seriously its obligations under the Charter to develop self-government in its dependent Territories and, in cooperation with the locally elected Governments, to ensure that their constitutional frameworks continued to meet the wishes and aspirations of their peoples. His Government also took seriously its obligations to the economic needs of its dependent Territories. In that context, he noted that resolutions before the Committee ignored completely the benefits that foreign economic interests brought to dependent Territories. He added that it was high time to recognize the positive and beneficial role of foreign investments, especially in small islands with limited capital and few natural resources of their own. 4/

Action taken by the General Assembly

23. On 11 December 1991, the General Assembly adopted resolution 46/68, an omnibus resolution on 10 Non-Self-Governing Territories, including Montserrat. In its resolution 46/68 A, the Assembly called upon the administering Powers, in cooperation with the territorial Governments, to facilitate programmes of political education in the Territories in order to foster an awareness among the peoples of the possibilities open to them in the exercise of their right to self-determination, in conformity with the political status options clearly defined in resolution 1541 (XV) of 14 December 1960. The Assembly reiterated that it was the responsibility of the administering Powers to create such conditions in the Territories as would enable their people to exercise freely and without interference their inalienable right to self-determination and independence. In resolution 46/68 B, section VIII, on Montserrat, the Assembly urged the administering Power, inter alia, to continue to intensify and expand its programme of aid in order to accelerate the development of the economic and social infrastructure of the Territory.

D. External affairs

24. The Territory continues to be a member of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS), as well as the institutions associated with both groups, including the University of the West Indies, CDB and the Eastern Caribbean Central Bank (ECCB). It is an associate member of the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary body, the Caribbean Development and Cooperation Committee (CDCC). The Territory is also represented at meetings of the Caribbean Group for Cooperation and Development sponsored by the World Bank.

25. During the period under review, representatives of the Territory participated in regional and international conferences and programmes organized by Governments, international organizations and multilateral agencies. In June 1991, the German Ambassador to the Eastern Caribbean visited the Territory to present his credentials to the Government of Montserrat and the Chief Minister. 5/ In September 1991, an adviser to the Guadeloupe Legislature also visited the Territory to discuss closer ties with the French Overseas Departments of Guadeloupe and Martinique. This was part of an agreement with OECS on closer cooperation in several areas, including tourism, trade, culture and education. 6/ On 27 September 1991, the Territory hosted the 15th meeting of the Monetary Council of ECCB. The meeting was attended by the Prime Ministers of Dominica and Saint Lucia, the Ministers for Finance of Anguilla, Antigua and Barbuda, Grenada and Saint Kitts and Nevis, the Governor of ECCB and the Secretary-General of OECS. 7/

E. Public service

26. In its most recent report on the Territory, the administering Power stated that budget estimates for 1992 made provision for 746 established posts, 7 of which were held by expatriates from the United Kingdom and from the Caribbean region. The report indicated also that the passage of hurricane Hugo in 1989 necessitated an increase in the number of technical cooperation officers, particularly in the areas relating to physical planning, architecture, medicine and finance. Provision was made for 679 non-established posts during the period under review.

27. According to the administering Power, the policy of the territorial Government was to replace expatriates with nationals when they became suitably trained and qualified. It noted however, that as a result of the hurricane, the Government Training Unit had to be relocated and that, in the absence of suitable classrooms during most of 1990, local in-service training programmes had to be scaled down significantly.

28. During the period under review, the Territory received technical assistance for in-country training from such agencies and organizations as the British Development Division in the Caribbean (BDDC), the Commonwealth Fund for Technical Cooperation (CFTC), the Canada Training Awards Project, the Canadian International Development Agency (CIDA), the Manitoba Institute of Management of Canada and OECS. The Territory also received long- and short-term awards for overseas training from the United States Agency for International Development, the Caribbean Centre for Development Administration and CDB. For the period 1989-1991, a total of 47 long-term training awards and over 100 short-term awards were granted. Some 45 students completed training, 6 of whom went on to further studies; 1 left the Territory and the others were absorbed into the labour force.

29. The United Kingdom Overseas Development Administration provided approximately £4.04 million in bilateral aid to Montserrat in 1989, of which £808,000 was for technical cooperation, including £166,000 for students and trainees. 8/

III. ECONOMIC CONDITIONS

A. General

30. The economy of Montserrat is based mainly on construction, tourism and related financial, distributive and personal services. According to the administering Power, the economy improved in 1989, despite the disastrous effects of hurricane Hugo. The gross domestic product (GDP) increased by 21.5 per cent, at constant prices, compared with 12.4 per cent in 1988 and 10.8 per cent in 1987. This increase reflected the positive effect of substantial investments that followed the hurricane. In 1989, the per capita GDP was estimated at EC$ 14,540 (US$ 5,385). 9/ In 1988, the per capita GDP was EC$ 12,364 (US$ 4,579).

31. ECCB reported that the economy of Montserrat continued its recovery during 1990. As in 1989, growth was led by the construction sector which benefited from substantial inflows of labour and capital from other Caribbean countries and the United Kingdom. The rate of inflation, as measured by the consumer price index (CPI) rose to 6.8 per cent during 1990, compared with 3.6 and 1.8 per cent in 1988 and 1989 respectively. Prices in the services sector rose by 15.7 per cent, significantly higher than the 5.7 per cent increase registered in 1989. Food, which represents 50 per cent of the components included in the CPI, recorded only a modest 2.1 per cent increase. 10/

B. Public finance

32. On 20 December 1990, the Legislative Council approved the budget estimates for 1991. As previously reported (A/AC.109/1061, para. 31), revenue for that year was estimated at EC$ 40.7 million and recurrent expenditure at EC$ 38.97 million, reflecting increases of 15 and 16 per cent respectively over the budget estimates for 1990. Development fund expenditure based on externally approved funding for 1991 was estimated at EC$ 19.2 million, which would bring total expenditure to EC$ 58.2 million.

33. According to ECCB, provisional data for the fiscal operations of the Government indicated that the current account surplus for 1990 increased to EC$ 5.8 million from the EC$ 3.7 million recorded in 1989. That increase was the result of the relatively stronger growth in revenue than expenditure. Revenue rose by 16.7 per cent to EC$ 42.7 million, and expenditure grew by 12.2 per cent. Revenue from tax sources accounted for EC$ 38.4 million (13.9 per cent greater than in 1989) while the revenue yield from non-tax sources rose by EC$ 1.4 million (48.3 per cent) to EC$ 4.3 million. The most important revenue sources were taxes on imports and international transactions, whose yield was EC$ 21.9 million, an increase of 26.9 per cent over 1989.

34. Recurrent expenditure rose by 12.2 per cent during 1990, mainly as a result of the wage increase of 20 per cent awarded to civil servants that year. Provisional estimates put the wage bill at EC$ 21.5 million, representing an increase of EC$ 4.9 million (29.5 per cent) over 1989. 10/

C. Agriculture, livestock, fisheries and forestry

35. Information provided by the administering Power indicates the following seven key elements continued to be the basis of the territorial Government policy in the agriculture sector:

(a) Settlement of viable farm units on agricultural estates;

(b) Provision of support services, including marketing extension services and credit;

(c) Irrigation;

(d) Soil and water conservation;

(e) Development of agro-based and food-processing industries;

(f) Import substitution and self-sufficiency in a wide range of food products, especially fresh vegetables, fruit preserves, honey and fish;

(g) Administrative support for coordination of agricultural production in order to market products both locally and externally.

36. The policy of the Government regarding livestock is to maintain a relatively disease-free animal population through preventive measures and farmer education, in order to achieve self-sufficiency in meat and meat products. Several programmes are in various stages of development and assistance is being sought from the Caribbean Rural Development, Advisory and Training Service (CARDATS) and CIDA.

37. In its report for 1990, CDB noted that production of short-term crops for domestic consumption, such as sweet potatoes, white potatoes and cucumbers, had been restored to pre-hurricane levels. Long-term investment in the sector was still inadequate, however, since infrastructural bottlenecks such as weak marketing and distribution systems remained, slowing the agricultural development of the Territory.

38. CDB also noted that as a result of the time needed before livestock production was restored to its original levels, the industry performed below its potential in 1990. On the other hand, increased investment in deep-sea fishing had led to increases in the volume of fresh fish. The development of activities other than inshore fishing as well as revised fishing legislation were contributing to the rebuilding of inshore marine resources. 11/

39. In December 1990, the Chief Minister announced a 20-year forestry management programme for the development of the Territory's forestry reserves, which had been severely damaged by the hurricane (see A/AC.109/1061, para. 35). In its report on the Territory for 1989/90, the administering Power announced the implementation of a programme in which agricultural production would be increased in a manner consistent with sound land-use practices and environmental conservation. The project was expected to last five years, with a budget of from EC$ 5 million to EC$ 6 million. Reafforestation and other outputs of this programme would include measures to rehabilitate and conserve soil and water resources. It was also reported that a small Forestry Division was established, comprising one forestry officer and five forest rangers, two of whom had completed training in Saint Lucia in 1990.

D. Industry

40. The manufacturing sector consists mainly of small-scale production for local and regional markets. An electronics assembly plant, which employs an estimated 200 persons, produced goods for export to the United States. Other plants manufacture cotton yarn and garments, as well as furniture and leather goods. Agro-processing facilities have also been making an increasing contribution to the sector. As previously reported, manufacturing production and exports were affected by the hurricane, which damaged most of the facilities and destroyed the port.

41. According to the administering Power in its 1989/90 report, exports of locally produced items were declining, as the industrial phase which started in 1978 had been virtually destroyed in 1989 by the hurricane. Both the administering Power and the territorial Government noted that the strategy of focusing on foreign investors over the past 10 years had not been as successful as anticipated. They emphasized the vital role to be played by local investors in the economic development of the Territory. In this regard, a number of fiscal and other incentives were announced by the territorial Government (see A/AC.109/1077, paras. 4 and 14). In its report, the administering Power stated that the development of small enterprises would be pursued with the collaboration of all agencies concerned, including public and private sector institutions. The report also noted that in the area of foreign investment, the territorial Government would encourage investment in high-technology industries, such as hydroponics, which would make maximum utilization of the Territory's scarce land resources. A number of investment opportunities were outlined, including the bottling of spring-water, film and video production and light manufacturing.

E. Communications and other basic facilities

42. Information concerning the Territory's rehabilitation and recovery programme in the aftermath of hurricane Hugo is outlined in the previous working paper (A/AC.109/1061, paras. 40-45). The Overseas Development Administration stated in its 1990 report that between September and December 1989, the United Kingdom had provided over £4.2 million for immediate hurricane relief and rehabilitation for the affected British Dependent Territories and that the largest amount of aid had gone to Montserrat. The report also indicated that at the end of 1989, work was under way to assess the long-term needs of the Territory. According to the Overseas Development Administration, it was already clear that Montserrat would require substantial amounts of aid over the next few years to reconstruct and develop its infrastructure if the Territory was to reach economic self-sufficiency. 8/ As reported in the above-mentioned working paper (A/AC.109/1061, para. 45), the United Kingdom Government had agreed to provide an estimated EC$ 66 million towards the cost of long-term recovery programmes beginning in April 1991.

43. According to press reports, Chief Minister John Osborne visited London in July 1991 and held discussions with officials of the United Kingdom Foreign and Commonwealth Office on a number of issues, including hurricane-related

reconstruction and airport development. Following the general elections in October 1991 and his appointment as Chief Minister, Mr. Reuben Meade visited Barbados to hold meetings with officials of CDB and the European Commission concerning a project to reconstruct the port facilities at Plymouth, destroyed by the hurricane. On his return to the Territory, he stated that the obstacles to implementation of the project had been removed, and that potential contractors would soon visit the Territory before submitting final tenders. According to the report, the project which is expected to cost over US$ 10 million, will take one year for completion. The new jetty will accommodate larger cargo boats, as well as cruise liners. Mr. Meade subsequently visited London and Brussels with representatives of the United Kingdom Government and the European Community. 12/

44. The Montserrat Reporter, a local newspaper, reported in its 13 December 1991 issue that the Minister for Communications and Works had outlined the Government's capital development programme for the next five years. The programme included the renovation and remodelling of the new Glendon Hospital; the rehabilitation of the old hospital as an out-patient facility; and rehabilitation of police stations, schools, government offices and other facilities, as well as improvements to the airport roads and the drainage system. The Minister stated that the Government had requested supplementary funds from BDDC for a coastal protection project. 13/

45. In related developments, the manager of the Territory's airport participated in a Caribbean Airport Managers' Association Programme, conducted by the Manitoba Institute of Management at Winnipeg, Canada, in May 1991. The programme, which was funded by CIDA, was designed to provide airport managers in the region with the opportunity of observing and experiencing the operations of the Canadian airport system, and ongoing advisory assistance in adapting such systems to the requirements of individual Caribbean countries. 14/

46. According to Cable and Wireless, West Indies, Ltd., which provides telephone service to the Territory, the 4,000th telephone line was expected to be installed by April 1992. The Company reported improved service, with 80 per cent of new requests for telephone installations being filled within 15 days; and a waiting list reduced from 400 to 20. 15/

F. Tourism

47. According to the administering Power, in 1989/90, the tourist industry, which was severely affected by the hurricane, had still not fully recovered. Hotel infrastructure in the Territory had not changed much in recent years, but, since the majority of visitors stayed in villas and private homes, a rapid expansion in the home-building sector had added substantially to tourist accommodation. Stay-over visitors and cruise-ship passengers numbered around 18,000 and 10,000 respectively. The volume of stay-over visitors was restricted by air transport limitations, mainly the absence of an adequate runway.

48. Gross earnings from tourism in 1989 were estimated at EC$ 23 million, much of it earned after the hurricane in September, when a large number of nationals living abroad, foreign property owners and relief workers visited the Territory.

49. In its annual report for 1991, ECCB stated that the tourism sector continued to be affected by the disruption caused by the hurricane, as the reconstruction of hotels and villas took longer than was initially estimated. The tourism sector was marked by a generally weak performance as falling visitor arrivals were reflected in low occupancy rates in spite of a reduced hotel capacity. Owing to the reduced demand for accommodation, during the period under review, hoteliers and villa managers seized the opportunity to carry out structural and design improvements. 10/

G. External trade

50. Imports have risen with the growth of the economy, and the rising standard of living at the household level tends to reflect an increase in the luxury content of imports.

51. Exports of locally produced items are decreasing steadily, owing to the inability of the industrial sector to recover from the damage done by the hurricane. The re-exportation of empty containers, the return of goods and the dispatch of personal effects is more significant in total exports than locally produced exports.

52. The following is a summary of imports and exports:

(In millions of East Caribbean dollars)

	1987	1988	1989
Total imports	63.1	71.7	35.2
Locally produced goods	8.2	4.8	1.3
Re-exports	1.8	1.4	3.2
Total exports	10.0	6.2	4.5

Sources of imports (Percentage of distribution):

United States	United Kingdom	CARICOM countries	Other	Total
40	20	15	25	100

Destination of domestic exports (percentage of distribution):

United States	United Kingdom	CARICOM countries	Other	Total
90	2	6	2	100

Exports to the United States are comprised almost exclusively of assembled electronic parts; sea-island cotton goods and printed shirts are exported to other destinations.

53. ECCB reported that provisional data indicate that the trend of strong imports and weak exports continued during the second quarter of 1991. Although imports decreased from the record high level reached during the first quarter of 1990, they were, however, still above their pre-hurricane level. The increase in imports reflected the continuing rebuilding programme which followed the hurricane. Total exports continued to decrease. 10/

H. Financial institutions

54. In 1990, there were five commercial banks providing full banking services in the Territory: Barclays Bank International PLC, Royal Bank of Canada Ltd., Bank of Montserrat, Ltd., Guardian International Bank Ltd., and East Caribbean International Bank. During the year, the number of offshore banks licensed to operate in the Territory was reduced from 340 to 88.

55. Commercial bank deposits rose by 7 per cent to US$ 47 million between December 1989 and September 1990. Loans and advances grew by 57 per cent to US$ 30 million over the same period. These increases were associated with the settlement of insurance claims following the hurricane and the increased demand for credit to finance the restoration of private property and the replacement of consumer durables. Interest rates remained stable during the first nine months of 1990. 11/

56. In June 1991, the Financial Secretaries of the five British dependent Territories in the Caribbean and the North Atlantic attended a meeting in the Cayman Islands on offshore banking. The topics included international law as it relates to money movement around the world, and the impact of forthcoming European Community legislation on offshore financial services in the Caribbean. The meeting was called following a recommendation in a report of the United Kingdom House of Commons regarding financial institutions in the above Territories. 16/ The report was prepared by Mr. Rodney Gallagher, the Regional Financial Services Adviser for the Caribbean dependent Territories appointed by the Government of the United Kingdom (see A/AC.109/1061, para. 50-51).

57. It was also reported that the Chief Minister of Montserrat had co-chaired a discussion panel on offshore financial services at the fifteenth Annual Conference on the Caribbean, held at Miami, United States, in November 1991. In his remarks, the Chief Minister stated that since the offshore financial services industry required little or no natural resources, it could make a substantial contribution, particularly to smaller islands. He noted that Montserrat had made a number of mistakes prior to 1989, but that the clean-up process had been completed and the Territory was ready to resume full activities in January 1992. 17/

I. Assistance from the United Nations system of organizations

58. Details of information concerning the assistance of the United Nations system of organizations to Non-Self-Governing-Territories are contained in the report of the President of the Economic and Social Council on consultations held by the Acting Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with representatives of the specialized agencies and the international institutions associated with the United Nations. 18/ Comprehensive information concerning assistance from this source to Montserrat is contained in document A/AC.109/1061, paras. 52-58. Supplementary information is provided below.

59. The United Nations Development Programme (UNDP) remains the main source of assistance from within the United Nations system. Its country programme for the Territory for 1987-1991 remained the frame of reference for external technical cooperation inputs. For the period 1987-1991, although UNDP programmed a total of US$ 677,000, expenditure over this period was US$ 443,000. A net indicative planning figure for the Territory covering the period 1991-1996 has been set at US$ 365,919. UNDP will provide assistance in the following areas: repair and maintenance of the Montserrat Technical College (US$ 143,919); physical planning and housing assistance (US$ 140,505), development of Galaways Soufriere (Phase 1, US$ 37,700); water resources development (US$ 24,730); and accounting (US$ 19,000). Expenditures of US$ 211,350 and US$ 121,812 are proposed for 1991 and 1992 respectively.

60. The United Nations Children's Fund (UNICEF) has programmed the following funds for Montserrat:

Activity	1991	1992
	(US dollars)	
Early childhood education/development	19 100	10 300
Nutrition	5 800	11 600
Health	-	19 600

61. In addition, the Territory would continue to participate in a multi-island programme for the Eastern Caribbean for a period which began in 1988 and ends in 1992 with resources of US$ 2.25 million approved by the Executive Board of UNICEF.

62. On 11 December 1991, the General Assembly adopted resolution 46/70, in which, inter alia, it requested the Secretary-General to take the necessary measures for promoting and expanding cooperation and coordination among the specialized agencies and the international institutions associated with the United Nations in their assistance to Non-Self-Governing Territories. The Assembly decided to keep the question under review.

IV. SOCIAL CONDITIONS

A. Labour

63. During the period under review, Montserrat experienced full employment. Widespread devastation caused by the hurricane created a demand for construction workers and the resultant expansion of the labour force was due to the introduction of migrant labour. The total number of persons in the labour force in 1990 was 5,700, compared with 5,300 in 1989, and the numbers of unemployed persons were 10 and 55 respectively. The number of construction workers doubled from 1,000 in 1988 to 2,000 in 1990 (see para. 31).

64. ECCB reported in 1991 that, as a result of the shortage of skilled labour, wages paid to this category of workers more than doubled between 1988 and 1990, and that this affected wages elsewhere in the private sector. 10/

65. ECCB also reported that, following a negotiated agreement, civil servants had been awarded a 20 per cent wage increase in 1990. 10/

B. Public health

66. The Territory enjoys a high standard of public health. In December 1990, the Chief Minister announced several programmes affecting public health (see A/AC.109/1061, para. 59). The Ministry of Health and Community Services, through the Department of Health, is responsible for public health. According to information provided by the administering Power, the policy of the territorial Government on health was geared towards providing health services based on the concept of primary health care.

C. Women and development

67. Women in the Territory enjoy freedom from discrimination in employment and educational opportunities. Amendments in 1984 to the Immigration and Passport Ordinance and in 1986 to the Income Tax Ordinance have enhanced the status of women as citizens and wage earners.

V. EDUCATIONAL CONDITIONS

68. Education in the Territory is compulsory and free for all children between 5 and 16 years of age and is provided at nursery, primary and secondary levels. Under the restructured system all children now have access to five years of secondary education. Plans are under way to upgrade the Technical College to a post-secondary institution.

69. Tertiary education continues to be provided by the University of the West Indies and other regional institutions. Most students attend those institutions on scholarships provided by the Government of the United Kingdom, CIDA and other donors.

70. The following information was released by the territorial Government in February 1991, for the academic year 1990/91:

	Students	Staff
Primary schools	1 172	67
Secondary schools	818	82
Technical College	51	11

71. In 1990, expenditure on education amounted to EC$ 6.8 million (16 per cent of national revenue, or 19 per cent of national expenditure). Over a six-year period from 1985 to 1990, expenditure on education accounted for 18 and 19 per cent of revenue and expenditure respectively. 19/

Notes

1/ The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 10 October 1991 for the year 1989/90.

2/ Caribbean Contact (Barbados), November/December 1991.

3/ The Montserrat Reporter (Plymouth), 22 November 1991.

4/ Official Records of the General Assembly, Forty-sixth Session, Fourth Committee, 11th meeting.

5/ The Montserrat Reporter (Plymouth), 7 June 1991.

6/ Daily News (St. Thomas), 17 September 1991.

7/ The Montserrat Mirror (Plymouth), 27 September 1991.

8/ Overseas Development Administration; British Overseas Aid: 1987 (Annual Review) (HMSO, 7/88).

9/ The local currency is the East Caribbean dollar (EC$). One United States dollar (US$ 1.00) is equivalent to EC$ 2.70.

10/ ECCB, Report and Statement of Accounts (for the financial year ended 31 March 1991).

11/ CDB, Annual Report 1990.

12/ Caribbean Insight, vol. 14, No. 9, September 1991; see also The Montserrat Reporter (Plymouth), 25 October 1991.

Notes (continued)

13/ The Montserrat Reporter (Plymouth), 13 December 1991.

14/ Ibid., 17 May 1991.

15/ Ibid., 15 November 1991.

16/ Ibid., 7 June 1991.

17/ Ibid., 6 December 1991.

18/ E/1991/116.

19/ The Government Information Unit: Civic File, vol. 1, No. 1, February 1991.